

Chart 6

W. R. Grace & Co. - Conn Accounts Receivable Reconciliation and Aging MOR-5 October 2003	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ 108,326,584
Amounts billed during the period	81,788,537
Amounts collected during the period	(77,589,010)
Other	4,305,665
Trade accounts receivable at the end of month, gross	\$ 116,831,776
<b>Trade Accounts Receivable Aging</b>	
Current	\$ 85,580,466
1-30 days past due	23,392,311
31-60 days past due	6,983,445
+61 days past due	875,554
Trade accounts receivable, gross	116,831,776
Allowance for doubtful accounts	(819,062)
Trade accounts receivable, net	\$ 116,012,714
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ 116,012,714
Customer notes and drafts receivable	881,091
Pending customer credit notes	(28,979)
Advances and deposits	5,500,774
Nontrade receivables, net	1,027,510
Total notes and accounts receivable, net	\$ 123,393,110

Chart 6

Remedium Group, Inc. Accounts Receivable Reconciliation and Aging MOR-5 October 2003	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
<b>Trade Accounts Receivable Aging</b>	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	23,965
Total notes and accounts receivable, net	\$ 23,965

Chart 6

Darex Puerto Rico, Inc. Accounts Receivable Reconciliation and Aging MOR-5 October 2003	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ 2,964,944
Amounts billed during the period	785,599
Amounts collected during the period	(375,184)
Other	(259,134)
Trade accounts receivable at the end of month, gross	\$ 3,116,225
<b>Trade Accounts Receivable Aging</b>	
Current	\$ 2,120,435
1-30 days past due	411,805
31-60 days past due	498,423
+61 days past due	85,562
Trade accounts receivable, gross	3,116,225
Allowance for doubtful accounts	(37,625)
Trade accounts receivable, net	\$ 3,078,600
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ 3,078,600
Customer notes and drafts receivable	-
Pending customer credit notes	333
Advances and deposits	-
Nontrade receivables, net	3,147
Total notes and accounts receivable, net	\$ 3,082,080

Chart 6

Grace Europe, Inc. Accounts Receivable Reconciliation and Aging MOR-5 October 2003	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
<b>Trade Accounts Receivable Aging</b>	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	86,095
Total notes and accounts receivable, net	\$ 86,095

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 October 2003		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

**Note #5**

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

## **Combined Chapter 11 Filing Entity Statements**

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities				
Combined Statement of Operations				
Amounts in millions	Month Ended October 31,		Ten Months Ended October 31,	
	2003	2002	2003	2002
Net sales to third parties	\$ 82.6	\$ 75.8	\$ 706.2	\$ 719.1
Net sales to non-filing entities	19.2	10.6	157.2	113.5
Interest and royalties from non-filing entities	4.8	2.7	39.7	34.5
Other income	-	0.4	9.4	15.2
	106.6	89.5	912.5	882.3
Cost of goods sold to third parties	52.3	47.4	472.0	447.6
Cost of goods sold to non-filing entities	15.4	7.7	121.3	81.7
Selling, general and administrative expenses	18.9	19.7	184.7	181.3
Depreciation and amortization	4.8	5.1	51.0	50.9
Research and development expenses	2.5	4.0	32.1	35.5
Net Pension expense	3.7	1.8	39.7	18.0
Interest expense	1.3	1.6	13.5	16.4
Provision for environmental remediation	-	-	52.5	19.2
	98.9	87.3	966.8	850.6
Income (loss) before Chapter 11 expenses,				
income taxes and equity in net income of non-filing entities	7.7	2.2	(54.3)	31.7
Chapter 11 expenses, net	(1.6)	(5.0)	(13.3)	(26.4)
Provision for income taxes	(1.2)	1.1	5.0	(18.7)
Equity in net income of non-filing entities	8.7	4.5	70.5	63.8
Net income	\$ 13.6	\$ 2.8	\$ 7.9	\$ 50.4

The Notes to Combined Financial Statements are an integral part of these statements.

**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combined Functional Basis Statement of Cash Flows**

Amounts in millions	Month Ended October 31, 2003	Ten Months Ended October 31, 2003
<b><u>Core operations cash flow</u></b>		
Pre-tax income from core operations	\$ 11.5	\$ 30.0
Depreciation and amortization	4.8	51.0
	16.3	81.0
Contributions to defined benefit pension plans	(15.7)	(48.5)
Cash received from Non-Filing entity operating loans	-	83.4
Cash received from Non-Filing entity investment	-	24.0
Changes in all core assets/liabilities and other	(4.6)	1.6
	(4.0)	141.5
Capital expenditures	(3.3)	(47.7)
<b>Core Pre-tax Operating Cash Flow</b>	<b>(7.3)</b>	<b>93.8</b>
<b><u>Charges against core reserves</u></b>		
Pension liabilities	(0.3)	(3.6)
Deferred compensation	-	(0.7)
Self insurance	-	(1.2)
<b>Total Spending Against Core Reserves</b>	<b>(0.3)</b>	<b>(5.5)</b>
<b>Core Cash Flow</b>	<b>(7.6)</b>	<b>88.3</b>
<b><u>Noncore cash flow</u></b>		
Proceeds from asset sales	-	3.5
Benefit proceeds under life insurance policies	1.7	11.7
Other noncore pretax cash flow	(0.4)	(4.1)
<b>Noncore Pre-tax Cash Flow</b>	<b>1.3</b>	<b>11.1</b>
<b><u>Charges against noncore reserves</u></b>		
<b><u>Asbestos</u></b>		
Asbestos claims processing	(0.8)	(8.9)
Less - insurance recovery	1.9	12.9
Net asbestos (payments)	1.1	4.0
Environmental remediation	(1.1)	(10.2)
Retained obligations and other	(0.1)	(1.3)
Postretirement benefits	(1.7)	(10.5)
<b>Total Spending Against Noncore Reserves</b>	<b>(1.8)</b>	<b>(18.0)</b>
<b>Noncore Cash Flow</b>	<b>(0.5)</b>	<b>(6.9)</b>
<b>Total Pre-tax/Pre-Interest/Pre-Chapter 11 Cash Flow</b>	<b>(8.1)</b>	<b>81.4</b>
Cash paid for taxes, net of refunds	(0.8)	3.4
Cash paid for interest	(0.1)	(3.4)
Chapter 11 reorganization expenses paid	(0.5)	(14.9)
<b>Cash Flow before Strategic Investments</b>	<b>(9.5)</b>	<b>66.5</b>
<b><u>Strategic Investments</u></b>		
Cash paid for businesses acquired	-	-
<b>Cash used for Strategic Investments</b>	<b>-</b>	<b>-</b>
<b>Cash Flow after Strategic Investments</b>	<b>(9.5)</b>	<b>66.5</b>
Repayments under DIP facility	(0.2)	(3.5)
Net (investing)/financing activities under life insurance policies	(0.5)	(14.5)
<b>Net Cash Flow</b>	<b>\$ (10.2)</b>	<b>\$ 48.5</b>

The Notes to Combined Financial Statements are an integral part of these statements.



Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities			
Combined Balance Sheet			
Amounts in millions	October 31, 2003	December 31, 2002	April 2, 2001
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 95.1	\$ 56.8	\$ 8.6
Accounts and other receivables, net	126.6	114.7	43.8
Receivables from non-filing entities, net	51.0	43.4	51.2
Inventories	82.8	70.5	80.6
Deferred income taxes	35.3	22.2	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	25.1	30.8	21.9
<b>Total Current Assets</b>	<b>415.9</b>	<b>338.4</b>	<b>304.0</b>
Properties and equipment, net	385.0	389.7	400.4
Goodwill	14.5	14.5	13.6
Cash value of life insurance policies, net of policy loans	89.2	82.4	64.1
Deferred income taxes	565.5	567.0	401.0
Asbestos-related insurance expected to be realized after one year	269.7	282.6	323.4
Loans receivable from non-filing entities, net	422.6	444.4	387.5
Investment in non-filing entities	282.4	244.7	121.0
Other assets	89.0	77.7	308.5
<b>Total Assets</b>	<b>\$ 2,533.8</b>	<b>\$ 2,441.4</b>	<b>\$ 2,323.5</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Liabilities Not Subject to Compromise</b>			
<b>Current Liabilities</b>			
Debt payable within one year	\$ -	-	-
Accounts payable	45.2	41.4	-
Income Taxes Payable	5.0	5.0	-
Other current liabilities	48.4	52.9	-
<b>Total Current Liabilities</b>	<b>98.6</b>	<b>99.3</b>	<b>-</b>
Debt payable after one year	-	-	-
Other liabilities	204.1	229.6	31.8
<b>Total Liabilities Not Subject to Compromise</b>	<b>302.7</b>	<b>328.9</b>	<b>31.8</b>
<b>Liabilities Subject to Compromise</b>			
Debt, pre-petition plus accrued interest	548.4	538.8	511.5
Accounts payable	32.2	32.4	43.0
Income taxes payable	236.5	227.8	210.1
Asbestos-related liability	963.8	973.2	1,002.8
Other liabilities	598.6	562.5	598.6
<b>Total Liabilities Subject to Compromise</b>	<b>2,379.5</b>	<b>2,334.7</b>	<b>2,366.0</b>
<b>Total Liabilities</b>	<b>2,682.2</b>	<b>2,663.6</b>	<b>2,397.8</b>
<b>Shareholders' Equity (Deficit)</b>			
Common stock	0.8	0.8	0.8
Paid in capital	432.1	433.0	432.6
Accumulated deficit	(107.8)	(115.7)	(201.8)
Treasury stock, at cost	(135.9)	(137.0)	(136.4)
Accumulated other comprehensive income (loss)	(337.6)	(403.3)	(169.5)
<b>Total Shareholders' Deficit</b>	<b>(148.4)</b>	<b>(222.2)</b>	<b>(74.3)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 2,533.8</b>	<b>\$ 2,441.4</b>	<b>\$ 2,323.5</b>

The Notes to Combined Financial Statements are an integral part of these statements.

**W. R. Grace & Co.**  
**Notes to Combined Financial Statements**  
**October 31, 2003**

**1. Basis of Presentation and Summary of Significant Accounting and Financial Reporting Policies**

W. R. Grace & Co., through its subsidiaries, is engaged in specialty chemicals and specialty materials businesses on a worldwide basis. These businesses consist of catalyst and silica products ("Davison Chemicals") and construction chemicals, building materials and sealants and coatings ("Performance Chemicals").

W. R. Grace & Co. conducts substantially all of its business through a direct, wholly owned subsidiary, W. R. Grace & Co.-Conn. ("Grace-Conn."). Grace-Conn. owns substantially all of the assets, properties and rights of W. R. Grace & Co., either directly or through subsidiaries.

As used in these notes, the term "Company" refers to W. R. Grace & Co. The term "Grace" refers to the Company and/or one or more of its subsidiaries and, in certain cases, their respective predecessors.

**VOLUNTARY BANKRUPTCY FILING**

In response to a sharply increasing number of asbestos-related bodily injury claims, on April 2, 2001 (the "Filing Date"), W. R. Grace & Co. and 61 of its United States subsidiaries and affiliates, including Grace-Conn. (collectively, the "Debtors"), filed voluntary petitions for reorganization (the "Filing") under Chapter 11 of the United States Bankruptcy Code ("Chapter 11" or the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The cases were consolidated and are being jointly administered under case number 01-01139 (the "Chapter 11 Cases"). Grace's non-U.S. subsidiaries and certain of its U.S. subsidiaries were not included in the Filing.

During 2000 and the first quarter of 2001, Grace experienced several adverse developments in its asbestos-related litigation, including: a significant increase in bodily injury claims, higher than expected costs to resolve bodily injury and certain property damage claims, and class action lawsuits alleging damages from a former attic insulation product. After a thorough review of these

developments, the Board of Directors of Grace concluded on April 2, 2001 that a federal court-supervised Chapter 11 process provided the best forum available to achieve predictability and fairness in the claims settlement process.

By filing under Chapter 11, Grace expects to be able to both obtain a comprehensive resolution of the claims against it and preserve the inherent value of its businesses. Under Chapter 11, the Debtors expect to continue to operate their businesses as debtors-in-possession under court protection from their creditors and claimants, while using the Chapter 11 process to develop and implement a plan for addressing the asbestos-related claims against them.

*Consequence of Filing* – As a consequence of the Filing, pending litigation against the Debtors for pre-petition matters is generally stayed (subject to certain exceptions in the case of governmental authorities), and no party may take action to realize its pre-petition claims except pursuant to an order of the Bankruptcy Court.

The Debtors intend to address all of their pending and future asbestos-related claims and all other pre-petition claims in a plan of reorganization. Such a plan of reorganization may include the establishment of a trust through which all pending and future asbestos-related claims would be channeled for resolution. However, it is currently impossible to predict with any degree of certainty the amount that would be required to be contributed to the trust, how the trust would be funded, how other pre-petition claims would be treated or what impact any reorganization plan may have on the shares of common stock of the Company. The interests of the Company's shareholders could be substantially diluted or cancelled under a plan of reorganization. The formulation and implementation of the plan of reorganization is expected to take a significant period of time.

*Status of Chapter 11 Proceedings* – Since the Filing, all motions necessary to conduct normal business activities have been approved by the Bankruptcy Court. In addition, the Debtors have received approval from the Bankruptcy Court to pay or otherwise honor certain of its pre-petition obligations in the ordinary course of business,

including employee wages and benefits, customer programs, shipping charges, and a limited amount of claims of essential trade creditors.

As provided by the Bankruptcy Code, the Debtors had the exclusive right to propose a plan of reorganization for a 120-day period following the Filing Date. The Debtors have received extensions of their exclusivity period during which to file a plan of reorganization through February 1, 2004, and extensions of the Debtors' exclusive rights to solicit acceptances of a reorganization plan through April 1, 2004.

Three creditors' committees, two representing asbestos claimants and the third representing other unsecured creditors, and a committee representing shareholders have been appointed in the Chapter 11 Cases. These committees will have the right to be heard on all matters that come before the Bankruptcy Court and, together with a legal representative of future asbestos claimants (whom Grace expects to be appointed by the Bankruptcy Court in the future), are likely to play important roles in the Chapter 11 Cases. The Debtors are required to bear certain of the committees' and the future asbestos claimants representative's costs and expenses, including those of their counsel and financial advisors.

The Debtors' Chapter 11 cases have been assigned to Judge Alfred M. Wolin, a senior federal judge who sits in Newark, New Jersey. Judge Wolin is presiding over asbestos bodily injury matters and the fraudulent conveyance litigation described below. He has assigned the Debtors' other bankruptcy matters to Judge Judith Fitzgerald, a U.S. bankruptcy judge from the Western District of Pennsylvania, sitting in Wilmington, Delaware.

*Claims Filings* – The Bankruptcy Court established a bar date of March 31, 2003 for claims of general unsecured creditors, asbestos-related property damage claims and medical monitoring claims related to asbestos. The bar date did not apply to asbestos-related bodily injury claims or claims related to Zonolite® attic insulation ("ZAI"), which will be dealt with separately.

Approximately 15,000 proofs of claim were filed by the bar date. Of these claims, approximately 10,000 were non-asbestos related, approximately 4,000 were for asbestos-related property damage, and

approximately 1,000 were for medical monitoring. In addition, approximately 400 proofs of claim were filed after the bar date. The discussion below refers to claims filed before the bar date.

Approximately 7,000 of the 10,000 non-asbestos related claims involve claims by employees or former employees for future retirement benefits such as pension and retiree medical coverage. Grace views these claims as contingent and does not plan to address them until a later date in the Chapter 11 Cases. The other non-asbestos related claims include claims for payment for goods and services; taxes; product warranties; principal plus interest under pre-petition credit facilities; amounts due under leases; contracts rejected in the Bankruptcy Court; environmental remediation; indemnification or contribution from actual or potential co-defendants in asbestos-related and other litigation; pending non-asbestos related litigation; and non-asbestos related personal injury.

The Debtors' preliminary analysis indicated that many claims are duplicates, represent the same claim filed against more than one of the Debtors, lack any supporting documentation, or provide insufficient supporting documentation. As of September 30, 2003, the Debtors had filed with the Bankruptcy Court approximately 1,100 objections with respect to such claims, most of which were non-substantive (duplicates, no supporting documentation, late filed claims, etc.). The Debtors expect to file a substantial number of additional objections, most of which will be substantive, as analysis and evaluation of the claims progresses.

As claims are resolved, Grace will make adjustments to the liabilities recorded on its financial statements as appropriate. Any such adjustments could be material to the Company's consolidated financial position and results of operations. Because of the uncertainties of the Chapter 11 process, the in-progress state of the Debtors' investigation of submitted claims, and the lack of documentation submitted in support of many claims, Grace, at this time, is not able to estimate the value of the claims that may ultimately be determined and allowed by the Bankruptcy Court.

*Litigation Proceedings in Bankruptcy Court* – In July 2002, the Bankruptcy Court approved special counsel to represent the ZAI claimants, at the

Debtors' expense, in a proceeding to determine certain threshold scientific issues regarding ZAI. The court has set a litigation schedule that would result in pretrial hearings on these issues in February of 2004.

On November 29, 2002, Sealed Air Corporation ("Sealed Air") and Fresenius Medical Care AG ("Fresenius") each announced that they had reached agreements in principle with the Official Committee of Asbestos Personal Injury Claimants and the Official Committee of Asbestos Property Damage Claimants to settle asbestos and fraudulent conveyance claims related to the 1998 transaction involving Grace's former packaging business and Sealed Air, and the 1996 transaction involving Grace's former medical care business and Fresenius, respectively. Under the terms of the Fresenius settlement, as subsequently revised and subject to certain conditions, Fresenius would contribute \$115.0 million to the Grace estate. In July 2003, the Fresenius settlement was approved by the Bankruptcy Court. Under the terms of the proposed Sealed Air settlement, Sealed Air would make a payment of \$512.5 million (plus interest at 5.5% per annum, commencing on December 21, 2002) and nine million shares of Sealed Air common stock, valued at \$479.1 million as of October 31, 2003, as directed by the Bankruptcy Court upon confirmation of Grace's plan of reorganization. The Sealed Air settlement remains subject to the approval of the Bankruptcy Court and the fulfillment of specified conditions. Grace is unable to predict how these settlements may ultimately affect its plan of reorganization.

*Impact on Debt Capital* – All of the Debtors' pre-petition debt is in default due to the Filing. The accompanying Consolidated Balance Sheet as of October 31, 2003 reflects the classification of the Debtors' pre-petition debt within "liabilities subject to compromise."

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement with Bank of America, N. A. (the "DIP facility") in the aggregate amount of \$250 million. The term of the DIP facility, originally set to expire April 1, 2003, has been extended for up to an additional three years through April 1, 2006.

*Accounting Impact* – The accompanying Consolidated Financial Statements have been prepared in accordance with Statement of Position 90-7 ("SOP 90-7"), "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," promulgated by the American Institute of Certified Public Accountants. SOP 90-7 requires that financial statements of debtors-in-possession be prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. However, as a result of the Filing, the realization of certain Debtors' assets and the liquidation of certain Debtors' liabilities are subject to significant uncertainty. While operating as debtors-in-possession, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the Consolidated Financial Statements. Further, a plan of reorganization could materially change the amounts and classifications reported in the Consolidated Financial Statements, which do not currently give effect to any adjustments to the carrying value or classification of assets or liabilities that might be necessary as a consequence of a plan of reorganization.

Pursuant to SOP 90-7, Grace's pre-petition liabilities that are subject to compromise are required to be reported separately on the balance sheet at an estimate of the amount that will ultimately be allowed by the Bankruptcy Court. As of October 31, 2003, such pre-petition liabilities include fixed obligations (such as debt and contractual commitments), as well as estimates of costs related to contingent liabilities (such as asbestos-related litigation, environmental remediation, and other claims). The recorded amounts of such liabilities generally reflect accounting measurements as of the Filing Date, adjusted as warranted for changes in facts and circumstances and/or rulings under Grace's Chapter 11 proceedings subsequent to the Filing. (See Note 3 to the Consolidated Financial Statements for detail of the liabilities subject to compromise as of October 31, 2003, and December 31, 2002.) Obligations of Grace subsidiaries not covered by the Filing continue to be classified on the Consolidated Balance Sheet based upon maturity dates or the expected dates of payment. SOP 90-7 also requires separate reporting of certain expenses, realized gains and losses, and provisions for losses related to the Filing as reorganization items.

## Basis of Presentation

The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in W. R. Grace & Co.'s 2002 Form 10-K and, when filed, its 2003 Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Consolidated Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed. Certain amounts in prior years' Consolidated Financial Statements have been reclassified to conform to the 2003 presentation.

## Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principals requires that management make estimates and assumptions affecting the assets and liabilities reported at the date of the Consolidated Financial Statements, and the revenues and expenses reported for the periods presented. Actual amounts could differ from those estimates. Changes in estimates are recorded in the period identified. Grace's accounting measurements that are most affected by management's estimates of future events are:

- Contingent liabilities such as asbestos-related matters, environmental remediation, income taxes and retained obligations of divested businesses.
- Pension and post-retirement liabilities that depend on assumptions regarding discount rates and/or total returns on invested funds.
- Depreciation and amortization periods for long-lived assets, including property and equipment, intangible, and other assets.
- Realization values of various assets such as trade receivables, inventories, insurance receivables, income taxes, and goodwill.

The accuracy of these and other estimates may also be materially affected by the uncertainties arising under the Chapter 11 Cases.

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## 2. Chapter 11 Related Financial Information

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As a result of the Filing, Grace's Consolidated Balance Sheet separately identifies the liabilities that are "subject to compromise" as a result of the Chapter 11 proceedings. In Grace's case, "liabilities subject to compromise" represent pre-petition liabilities as determined under U.S. generally accepted accounting principles. Changes to the recorded amount of such liabilities will be based on developments in the Chapter 11 Cases and management's assessment of the claim amounts that will ultimately be allowed by the Bankruptcy Court. Changes to pre-petition liabilities subsequent to the Filing Date reflect: 1) cash payments under approved court orders; 2) the accrual of interest on pre-petition debt at the pre-petition contractual rate; 3) accruals for employee-related programs; and 4) changes in estimates related to pre-petition contingent liabilities and assets.

Set forth below is a reconciliation of the changes in pre-filing date liability balances for the period from the Filing Date through October 31, 2003.

<i>(Dollars in millions)</i>	Current Month	Cumulative Since Filing
Balance, beginning of period .....	\$ 2,385.1	\$ 2,366.0
Cash disbursements and/or reclassifications under bankruptcy court orders:		
Freight and distribution order ...	—	(5.7)
Trade accounts payable order ...	—	(9.1)
Other court orders including employee wages and benefits, sales and use tax and customer programs .....	(6.2)	(174.1)
Expense/(income) items:		
Interest on pre-petition debt .....	0.9	44.9
Current period employment-related accruals .....	(0.4)	25.4
Change in estimate of environmental contingencies	—	129.0
Change in estimate of income tax contingencies .....	—	26.7
Balance sheet reclassifications .....	0.1	(23.6)
Balance, end of period .....	\$ 2,379.5	\$ 2,379.5

Pre-Filing Date obligations allowable under current court orders and expected to be paid prior to an adopted plan or reorganization are classified as "liabilities not subject to compromise." Additional liabilities subject to compromise may arise due to the rejection of executory contracts or unexpired leases, or as a result of the allowance of contingent or disputed claims.

### 3. Other Balance Sheet Accounts

<i>(Dollars in millions)</i>	October 31, 2003	Filing Date
<b>Accounts and other receivables, net</b>		
Trade receivables, less allowance of \$0.9 (Filing Date - \$0.7) .....	\$ 119.9	\$ 32.3
Other receivables, less allowance of \$1.7 (Filing Date - \$2.1) .....	6.7	11.5
	\$ 126.6	\$ 43.8
<b>Inventories</b>		
Raw materials .....	\$ 16.8	\$ 20.3
In process .....	23.6	16.2
Finished products .....	66.9	63.8
General merchandise .....	11.2	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis .....	(35.7)	(29.3)
	\$ 82.8	\$ 80.6
<b>Other Assets</b>		
Deferred pension costs .....	\$ 5.2	\$ 227.9
Deferred charges .....	29.9	40.4
Long-term receivables .....	7.8	1.9
Long-term investments .....	-	2.1
Patents, licenses and other intangible assets .....	17.8	25.2
Pension - unamortized prior service cost .....	26.4	8.1
Other assets .....	1.9	2.9
	\$ 89.0	\$ 308.5
<b>Other Current Liabilities</b>		
Accrued compensation .....	\$ 17.3	\$ --
Accrued commissions .....	5.6	--
Customer programs .....	14.1	--
Accrued utilities .....	0.1	--
Accrued freight .....	2.9	--
Other accrued liabilities .....	8.4	--
	\$ 48.4	\$ --
<b>Other Liabilities</b>		
Deferred royalty income-nonfiling entities .....	1.9	31.8
Pension - underfunded plans .....	201.0	--
Other accrued liabilities .....	1.2	--
	\$ 204.1	\$ 31.8
<b>Liabilities Subject to Compromise</b>		
Other postretirement benefits ...	\$ 136.5	\$ 185.4
Environmental remediation .....	243.3	164.8
Retained obligations of divested businesses .....	57.4	75.5
Special pension arrangements ..	76.3	70.8
Deferred compensation .....	5.2	8.2
Self insurance reserve .....	23.5	11.8
Other accrued liabilities .....	56.4	82.1
	\$ 598.6	\$ 598.6

#### 4. Life Insurance

Grace is the beneficiary of life insurance policies on certain current and former employees with a net cash surrender value of \$89.2 million at October 31, 2003. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years. The following table summarizes the net cash value at October 31, 2003 and Filing Date:

Components of Net Cash Value	October 31, 2003	Filing Date
Gross cash value.....	\$ 471.6	\$ 453.7
Principal – policy loans .....	(365.3)	(390.3)
Accrued interest – policy loans....	(17.1)	0.7
Net cash value.....	\$ 89.2	\$ 64.1
Insurance benefits in force.....	\$ 2,210.7	\$2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

#### 5. Debt

On October 31, 2003, and Filing Date, Grace's debt was as follows:

Components of Debt (Dollars in millions)	October 31, 2003	Filing Date
<b>Debt payable within one year</b>		
DIP facility .....	\$ –	\$ –
Other short-term borrowings .....	–	–
	\$ –	\$ –
<b>Debt payable after one year</b>		
DIP facility .....	\$ –	\$ –
Other long-term borrowings .....	–	–
	\$ –	\$ –
<b>Debt Subject to Compromise</b>		
Bank borrowings .....	\$ 500.0	\$ 500.0
8.0% Notes Due 2004 .....	–	5.7
7.75% Notes Due 2002 .....	–	2.0
Other borrowings .....	1.2	1.2
Accrued interest .....	47.2	2.6
	\$ 548.4	\$ 511.5

In April 2001, the Debtors entered into the DIP facility for a two-year term in the aggregate amount of \$250 million. The DIP facility is secured by a priority lien on substantially all assets of the Debtors, and bears interest based on LIBOR. The Debtors' have extended the term of the DIP facility

for up to an additional three years through April 1, 2006, and modified certain other provisions. Grace had no outstanding borrowings under the DIP facility as of October 31, 2003; however, \$25.8 million of standby letters of credit were issued and outstanding under the facility. The letters of credit, which reduce available funds under the facility, were issued mainly for trade-related matters such as performance bonds and certain insurance and environmental matters.

The 7.75% Notes were repaid on June 11, 2001, and the 8.0% Notes were repaid on August 15, 2001, by the unaffiliated guarantor of the Notes. Grace's liability with respect to these notes is included in other liabilities subject to compromise as of October 31, 2003.

## **Bank Statements**



JPMorgan Chase Bank



## Statement of Account

W R GRACE & CO  
C/O CORPORATE ACCOUNTING  
7500 GRACE DRIVE  
COLUMBIA MD 21044-4098

TS

Account No: 910-1-013572  
Statement Start Date: 30 AUG 2003  
Statement End Date: 30 SEP 2003  
Statement Code: 000-USA-21  
Statement No: 000

Page 1 of 3

TRANSACTIONS		BALANCES		ENCLOSURES	
Total Credits	2	245,000.00	Opening (30 AUG 2003)	Closing (30 SEP 2003)	Credits
Total Debits (incl. checks)	21	211,035.44	Ledger	105,555.43	Debits
Total Checks Paid	0	0.00	Collected	105,555.43	Checks

Need to reconcile your accounts as soon as possible? Now you can download your DDA statements two business days after the statement cycle ends by receiving JPMorgan's Internet Statements. You'll find it easy to perform functions such as printing your statements, searching for particular transactions or displaying images of the front and back of your cancelled checks. Best of all, you can export statement data as a text or formatted Microsoft Excel file. Please contact your JPMorgan Relationship Manager for more information.

Adj Ledger	Date	Value	Reference	Code	Description	Closing Balance
<b>LEDGER BALANCES</b>						
11SEP	11SEP	USD	YOUR: CAP OF 03/09/11	120,000.00	BOOK TRANSFER CREDIT	02SEP 97,515.83
			OUR: 2354300254JO		B/O: W.R. GRACE AND COMPANY	03SEP 83,723.89
					CAMBRIDGE MA 02140-	04SEP 78,485.16
25SEP	25SEP	USD	YOUR: TERC OF 03/09/25	125,000.00	BOOK TRANSFER CREDIT	05SEP 86,117.16
			OUR: 0962700268JR		B/O: W.R. GRACE AND COMPANY	06SEP 87,293.75
					CAMBRIDGE MA 02140-	08SEP 42,467.94
					REF: NONT	10SEP 31,460.07
						11SEP 135,655.55
						12SEP 130,784.15
						15SEP 119,581.47
						16SEP 108,357.50
						17SEP 89,455.32
						18SEP 80,530.81
						19SEP 75,480.78
						22SEP 72,455.66
						23SEP 62,030.80
						24SEP 66,078.55
						25SEP 172,441.77
						26SEP 158,867.11
						29SEP 151,078.78
						30SEP 139,519.89
<b>DEBITS</b>						
02SEP 25AUG	25AUG	USD	OUR: 0224500093WA	8,039.50	GOVERNMENT ALLOTMENT DEBIT	
					COVERING DRAFTS TO A/C NO.	
					002-2-416598 FOR WORK OF 09/29/03	
					W R GRACE & CO C/O CORPORATE	
					ACCOUNTING 7500 GRACE DRIVE	
					COLUMBIA MD 21044-4098	
03SEP 02SEP	02SEP	USD	OUR: 0324600093WA	13,792.04	GOVERNMENT ALLOTMENT DEBIT	
					COVERING DRAFTS TO A/C NO.	
					002-2-416598 FOR WORK OF 09/02/03	
					W R GRACE & CO C/O CORPORATE	
					ACCOUNTING 7500 GRACE DRIVE	
					COLUMBIA MD 21044-4098	

FT CODE: USD - SAME DAY FUNDS US1 - ONE DAY FLOAT US3 - THREE DAY FLOAT US5 - FIVE DAY FLOAT  
USN - NEXT DAY FUNDS US2 - TWO DAY FLOAT US4 - FOUR DAY FLOAT USM - MIXED FLOAT

PLEASE EXAMINE THIS STATEMENT OF ACCOUNT AT ONCE. THE MAINTENANCE OF THIS ACCOUNT IS SUBJECT TO THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND THE BANK'S TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS AND SERVICES. THE BANK DISCLAIMS RESPONSIBILITY FOR ANY ERROR IN OR IMPROPER CHARGE TO THE ACCOUNT AS RENDERED UNLESS INFORMED IN WRITING OF THIS ERROR OR CHARGE WITHIN SIXTY DAYS OF THE DELIVERY, MAILING OR AVAILABILITY OF THE STATEMENT AND CANCELED VOUCHERS. KINDLY REFER TO THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS STATEMENT IN ORDER TO DIRECT YOUR INQUIRIES TO THE PROPER DEPARTMENT FOR PROMPT ACTION.

JPMorgan Chase Bank



## Statement of Account

W R GRACE & CO  
C/O CORPORATE ACCOUNTING  
7500 GRACE DRIVE  
COLUMBIA MD 21044-4098

TS

Account No:  
Statement Start Date:  
Statement End Date:  
Statement Code:  
Statement No:

In US Dollars  
910-1-013572  
30 AUG 2003  
30 SEP 2003  
000-USA-21  
000  
Page 2 of 4

Debit Date	Debit Amount	Credit Date	Credit Amount	Description	Closing Balance
<b>DEBITS CONTINUED</b>					
04SEP 03SEP	03SEP	USD DOR: 0324700092KA	7,237.73	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/03/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	COLLECTED BALANCES
05SEP 04SEP	04SEP	USD DOR: 0324800097KA	9,768.98	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/04/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	02SEP 97,515.93 03SEP 83,723.88 04SEP 78,488.16 05SEP 66,717.18 06SEP 57,283.75 07SEP 42,487.84 08SEP 31,406.07 09SEP 139,889.85 10SEP 130,764.15 11SEP 118,581.47 12SEP 108,557.60 13SEP 98,458.32 14SEP 80,530.81 15SEP 75,480.78 16SEP 72,455.88 17SEP 62,030.99 18SEP 56,076.55 19SEP 172,841.77 20SEP 158,987.11 21SEP 151,079.76 22SEP 139,518.09
08SEP 05SEP	05SEP	USD DOR: 0325100092KA	9,423.43	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/05/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
09SEP 08SEP	08SEP	USD DOR: 0325200096KA	14,805.81	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/08/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
10SEP 09SEP	09SEP	USD DOR: 0325300089KA	11,021.87	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/09/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
11SEP 10SEP	10SEP	USD DOR: 0325400095KA	11,576.52	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/10/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
12SEP 11SEP	11SEP	USD DOR: 0325500093KA	9,125.40	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/11/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
15SEP 12SEP	12SEP	USD DOR: 0325600091KA	11,182.68	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.	

### Statement of Account

W S GRACE & CO  
C/O CORPORATE ACCOUNTING  
7500 GRACE DRIVE  
COLUMBIA MD 21044-4098



Account No:  
Statement Start Date:  
Statement End Date:  
Statement Code:  
Statement No:

In US Dollars  
810-1-013572  
30 AUG 2003  
30 SEP 2003  
000-USA-21  
009  
Page 3 of 4

Debit		Credit		Description		Closing Balances	
Date	Amount	Date	Amount	Date	Amount	Date	Amount
<b>DEBITS CONTINUED</b>							
16SEP 15SEP	15SEP	USD OUR: 0325900090NA	11,023.97	002-2-416598 FOR WORK OF 09/12/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/15/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
17SEP 16SEP	16SEP	USD OUR: 0326000090NA	9,099.18	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/16/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
18SEP 17SEP	17SEP	USD OUR: 0326100087NA	18,927.51	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/17/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
19SEP 18SEP	18SEP	USD OUR: 0326200091NA	5,050.03	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/18/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
22SEP 19SEP	19SEP	USD OUR: 0326300088NA	3,025.12	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/19/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
23SEP 22SEP	22SEP	USD OUR: 0326600091NA	10,424.87	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/22/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
24SEP 23SEP	23SEP	USD OUR: 0326700088NA	5,952.44	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/23/03 W R GRACE & CO C/O CORPORATE			



35

Account No:  
Statement Start Date:  
Statement End Date:  
Statement Code:  
Statement No:

In US Dollars  
910-1-813572  
30 AUG 2003  
30 SEP 2003  
000-USA-21  
009  
Page 4 of 6

Subject	All Ledger	Value							Closing Balance
Date	Date	Date							Amount
<b>DEBITS CONTINUED</b>									
25SEP 24SEP	24SEP	USD OUR: 0326600093WA	8,636.78	ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/24/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098					
25SEP 23SEP	23SEP	USD OUR: 0326900096WA	13,454.66	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/25/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098					
26SEP 26SEP	26SEP	USD OUR: 0327200092WA	7,907.35	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/26/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098					
30SEP 29SEP	29SEP	USD OUR: 0327300095WA	11,569.77	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/29/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098					
<b>CHECKS</b>									
No Activity									



# Commercial Checking

01 2199500021812 036 130 0 0 115,688

00045314 1 MB 0.309 02 MAAD 179



W R GRACE AND CO-CONN  
GENERAL ACCOUNT  
ATTN: PATTY ELLIOTT-GRAY  
7500 GRACE DRIVE BLDG 25  
COLUMBIA, MD 21044-4098

CB

## Commercial Checking

8/30/2003 thru 9/30/2003

Account number: 2199500021812  
Account holder(s): W R GRACE AND CO-CONN  
GENERAL ACCOUNT

Taxpayer ID Number: 135114230

### Account Summary

Opening balance 8/30	\$12,698.14
Deposits and other credits	3,860,096.10 +
Other withdrawals and service fees	2,770,715.14 -
Closing balance 9/30	\$1,102,079.10

### Deposits and Other Credits

Date	Amount	Description
9/02	2,781,446.08	DEPOSIT
9/29	38,709.04	DEPOSIT
9/29	1,039,940.98	DEPOSIT
<b>Total</b>	<b>\$3,860,096.10</b>	

### Other Withdrawals and Service Fees

Date	Amount	Description
9/02	17.00	AUTOMATED DEBIT HARLAND CHECKS CHK ORDERS CO. ID. 9500021440 030903 PPD MISC 058 03244004010
9/03	2,770,698.14	FUNDS TRANSFER (ADVICE 030903017125) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 09/03/03 12:07PM
<b>Total</b>	<b>\$2,770,715.14</b>	

### Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
9/02	2,794,144.22	9/03	23,429.08	9/29	1,102,079.10



WACHOVIA

**WACHOVIA BANK, N.A.**  
**PAID / RANGE RECONCILEMENT BALANCE SHEET**

WR GRACE &amp; CO.-CONN 153

ACCT NO.: 0001 2079900003615

ATTN: NELLIE FAUSTO

7500 GRACE DRIVE

COLUMBIA MD 21044-4098

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**RECONCILEMENT OF DEBITS****CUTOFF DATE: 09/30/2003**

CHECKS PAID ON RECONCILIATION REPORTS		38,887.33
MISCELLANEOUS DEBITS	+	1,996,981.60
CREDIT ADJUSTMENTS	+	.00
MISCELLANEOUS ADJUSTMENTS	+/-	.00
DEBIT ADJUSTMENTS	-	.00
TOTAL DEBITS THIS RECONCILEMENT PERIOD	=	<u>2,035,868.93</u>
TOTAL DEBITS FROM BANK STATEMENT		2,035,868.93

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IF YOU HAVE ANY QUESTIONS, PLEASE  
CONTACT COMMERCIAL CUSTOMER SERVICE AT 1-800-222-3862

TEAM NO.: 153



WACHOVIA

# Commercial Checking

01

2079900003615 005 108

12 160

27,198



W R GRACE & CO-CONN  
62 WHITMORE AVE.  
CAMBRIDGE MD 02140

CB 153

## Commercial Checking

8/30/2003 thru 9/30/2003

Account number: 2079900003615  
Account holder(s): W R GRACE & CO-CONN

Taxpayer ID Number: 133461988

### Account Summary

Opening balance 8/30	\$0.00
Deposits and other credits	2,035,868.93 +
Other withdrawals and service fees	2,035,868.93 -
Closing balance 9/30	\$0.00

### Deposits and Other Credits

Date	Amount	Description
9/02	4,738.34	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/03	2,995.40	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/04	2,079.62	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/04	5,189.49	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/08	3,365.06	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/10	2,611.39	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/11	4,181.40	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/11	306,865.51	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/12	660,779.81	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/15	4,753.83	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/16	6,221.34	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/17	3,525.80	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/18	4,168.77	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/19	2,129.13	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO

Deposits and Other Credits continued on next page.

**WACHOVIA****Commercial Checking**

02

2079900003615 005 108

12 160

27,199

**Deposits and Other Credits** *continued*

Date	Amount	Description
9/22	394.65	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/24	1,193.70	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/25	3,532.18	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/25	319,939.01	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/26	49,280.69	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/26	636,216.45	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/29	5,819.99	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
9/30	5,887.37	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
<b>Total</b>	<b>\$2,035,868.93</b>	

**Other Withdrawals and Service Fees**

Date	Amount	Description
9/02	4,738.34	LIST OF DEBITS POSTED
9/03	1,127.33	LIST OF DEBITS POSTED
9/03	1,868.07	AUTOMATED DEBIT BNF CTS PMT IMPND CO. ID. 1411902914 030903 CCD MISC C4025-022291922
9/04	2,079.62	LIST OF DEBITS POSTED
9/04	5,189.49	AUTOMATED DEBIT PAYROLL CO. ID. 030904 CCD MISC SETTL NCV CERIDN
9/08	3,365.06	LIST OF DEBITS POSTED
9/10	487.47	LIST OF DEBITS POSTED
9/10	2,123.92	AUTOMATED DEBIT BNF CTS PMT IMPND CO. ID. 1411902914 030910 CCD MISC C4025-022317245
9/11	2,661.42	AUTOMATED DEBIT BNF CTS PMT IMPND CO. ID. 1411902914 030911 CCD MISC C2918-002322995
9/11	2,837.83	AUTOMATED DEBIT BNF CTS PMT IMPND CO. ID. 1411902914 030911 CCD MISC C2916-002322994
9/11	4,181.40	AUTOMATED DEBIT PAYROLL CO. ID. 030911 CCD MISC SETTL NCV CERIDN

*Other Withdrawals and Service Fees continued on next page.*





WACHOVIA

# Commercial Checking

03

2079900003615 005 108

12 160

27,200

## Other Withdrawals and Service Fees *continued*

Date	Amount	Description	
9/11	10,867.14	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030911 CCD MISC C4213-002323182	PMT IMPND
9/11	290,499.12	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030911 CCD MISC C4025-012323169	PMT IMPND
9/12	5,193.95	AUTOMATED DEBIT CO. ID. 030912 CCD MISC SETTL NCV CERIDN	PAYROLL
9/12	25,824.57	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 030912 CCD MISC SETTL NCV CERIDN	
9/12	51,267.96	AUTOMATED DEBIT CO. ID. 030912 CCD MISC SETTL NCV CERIDN	PAYROLL
9/12	578,493.33	AUTOMATED DEBIT CO. ID. 030912 CCD MISC SETTL NCV CERIDN	PAYROLL
9/15	4,753.83	LIST OF DEBITS POSTED	
9/16	6,221.34	LIST OF DEBITS POSTED	
9/17	1,642.60	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030917 CCD MISC C4025-022355117	PMT IMPND
9/17	1,883.20	LIST OF DEBITS POSTED	
9/18	4,168.77	AUTOMATED DEBIT CO. ID. 030918 CCD MISC SETTL NCV CERIDN	PAYROLL
9/19	2,129.13	LIST OF DEBITS POSTED	
9/22	394.65	LIST OF DEBITS POSTED	
9/24	1,193.70	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030924 CCD MISC C4025-022378580	PMT IMPND
9/25	2,837.82	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030925 CCD MISC C2916-002384410	PMT IMPND
9/25	3,532.18	AUTOMATED DEBIT CO. ID. 030925 CCD MISC SETTL NCV CERIDN	PAYROLL
9/25	10,883.78	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030925 CCD MISC C4213-002384592	PMT IMPND
9/25	306,217.41	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030925 CCD MISC C4025-012384580	PMT IMPND
9/26	5,193.96	AUTOMATED DEBIT CO. ID. 030926 CCD MISC SETTL NCV CERIDN	PAYROLL

Other Withdrawals and Service Fees continued on next page.



# Commercial Checking

WACHOVIA

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2079900003615 005 108

12 160

27,201

## Other Withdrawals and Service Fees *continued*

Date	Amount	Description
9/26	6,868.88	AUTOMATED DEBIT BNF CTS PMT IMPND CO. ID. 1411902914 030926 CCD MISC C2918-002394007
9/26	25,952.23	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 030926 CCD MISC SETTL NCVGERIDN
9/26	42,411.81	AUTOMATED DEBIT BNF CTS PMT IMPND CO. ID. 1411902914 030926 CCD MISC C4025-012394047
9/26	605,070.26	AUTOMATED DEBIT PAYROLL CO. ID. 030926 CCD MISC SETTL NCVGERIDN
9/29	5,819.99	LIST OF DEBITS POSTED
9/30	5,887.37	LIST OF DEBITS POSTED
<b>Total</b>	<b>\$2,035,868.93</b>	

## Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
9/02	0.00	9/12	0.00	9/22	0.00
9/03	0.00	9/15	0.00	9/24	0.00
9/04	0.00	9/16	0.00	9/25	0.00
9/08	0.00	9/17	0.00	9/26	0.00
9/10	0.00	9/18	0.00	9/29	0.00
9/11	0.00	9/19	0.00	9/30	0.00

**27,202**



## ACCOUNT RECONCILIATION PLAN

TYPE OF REPORT		CUST. ACCOUNT NO.		CUSTOMER NAME		DATE		PAGE	
MISC-CREDITS		1 2079900003615		WR GRACE & CO.-CONN		153		09-30-03	
CHECK NUMBER	PAID	DATE PAID	SEQUENCE NUMBER	CHECK NUMBER	PAID	DATE PAID	SEQUENCE NUMBER		
4,738.34	090203								
2,995.40	090303								
2,079.62	090403								
5,189.49	090403								
3,365.06	090803								
2,611.39	091003								
4,181.40	091103								
306,865.51	091103								
660,779.81	091203								
4,753.83	091503								
6,221.34	091603								
3,525.80	091703								
4,168.77	091803								
2,129.13	091903								
394.65	092003								
1,193.70	092403								
3,532.18	092503								
319,339.01	092503								
636,216.45	092603								
49,280.69	092803								
5,819.99	092903								
5,887.37	093003								
2035,868.93	GT								
	DEBITS								
	22								

EXPLANATION OF CODES

1 = CHECK PAID THIS PERIOD, NO OUTSTANDING MASTER RECEIVED.  
 2 = CHECK VOIDED, OUTSTANDING MASTER REMOVED, NOT ADDED TO TOTALS.  
 3 = CHECK PAID PREVIOUS PERIOD, OUTSTANDING MASTER STILL NOT RECEIVED.  
 4 = CHECK ONLY, NOT ADDED TO TOTALS.

TYPE OF REPORT

UNPAID ONLY  
 PAID ONLY  
 CONSOLIDATED  
 SPECIAL

4 = STOP PAYMENT IN EFFECT, CHECK HAS NOT BEEN PRESENTED.  
 5 = STOP PAYMENT IN EFFECT, CHECK PRESENTED AND RETURNED.  
 6 = FORCED POSTED ITEM, DUPLICATE OR NO SERIAL #.  
 7 = MISSING OUTSTANDING ITEM.

## ACCOUNT RECONCILIATION PLAN

TYPE OF REPORT		BANK NO.		CUST. ACCOUNT NO.		CUSTOMER NAME		DATE		PAGE	
MISC-DEBITS		1		207900003615		WR GRACE & CO.-CONN ATTN: NELLIE FAUSTO		09-30-03		153	
CHECK NUMBER	PAID	DATE PAID	SEQUENCE NUMBER	CHECK NUMBER	PAID	DATE PAID	SEQUENCE NUMBER	CHECK NUMBER	PAID	DATE PAID	SEQUENCE NUMBER
1411902914	1,868.07	09/03/03	65288472								
1411902914	5,189.99	09/04/03	32410419								
1411902914	2,123.92	09/10/03	34455104								
1411902914	4,181.40	09/11/03	32510733								
1411902914	2,661.42	09/11/03	46068892								
1411902914	10,867.14	09/11/03	46068894								
1411902914	2,837.83	09/11/03	46068891								
1411902914	290,499.12	09/11/03	46368968								
	5,193.95	09/12/03	32520841								
	25,824.57	09/12/03	32520841								
	578,493.33	09/12/03	32520841								
1411902914	51,267.96	09/12/03	32520841								
1411902914	1,642.60	09/17/03	04803773								
1411902914	4,188.77	09/18/03	32580810								
1411902914	1,193.70	09/24/03	73922810								
1411902914	3,532.18	09/28/03	32650733								
1411902914	306,217.41	09/28/03	85781958								
1411902914	10,883.78	09/28/03	85534063								
1411902914	2,837.82	09/28/03	85534061								
	605,070.26	09/28/03	32680789								
	25,952.23	09/28/03	32650789								
1411902914	5,193.96	09/28/03	32660789								
1411902914	6,868.88	09/28/03	97013931								
1411902914	42,411.81	09/28/03	97013932								
CREDITS		DEBITS	246T								
		1996,981.60									

EXPLANATION OF CODES

- 1 = CHECK PAID THE WEEK, NO OUTSTANDING MASTER REMOVED
- 2 = CHECK PAID THE WEEK, OUTSTANDING MASTER REMOVED, NOT ADDED TO TOTALS
- 3 = CHECK PAID PREVIOUS PERIOD, OUTSTANDING MASTER STILL NOT RECEIVED
- 4 = STOP PAYMENT IN EFFECT, CHECK HAS NOT BEEN PRESENTED
- 5 = CHECK PAID THE WEEK, CHECK PRESENTED AND RETURNED
- 6 = CHECK PAID THE WEEK, CHECK PRESENTED AND RETURNED

TYPE OF REPORT

- OUTSTANDING ITEMS ONLY ON THIS REPORT
- PAID ITEMS ONLY ON THIS REPORT
- PAID & OUTSTANDING CHECKS ON SAME REPORT
- PAID & OUTSTANDING CHECKS ON SAME REPORT